

**City of Santa Fe
Purchasing Manual – Purchasing Procedures**

Excerpt Addressing Design-Build Projects

23.B DESIGN BUILD PROJECTS

23.B.1 APPLICATION

An alternative for construction of projects over \$10,000 is available through the design-build of projects. (For projects under \$10,000 see the section on quote requirements). The objective of design-build contracting is to complete construction projects more efficiently, faster, and/or cheaper than conventional design-bid-build, however, a benefit-oriented evaluation should be used to assess if design-build is appropriate.

23.B.1.1 Practical or Advantageous. When a City department(s) and the Purchasing Director determine that design-build is either practical or advantageous to the City, the procurement shall be effected by competitive design-build proposals. The process is intended to be fair, uniform, clear and effective for the delivery of a quality project on time and within budget.

23.B.1.2 Written Determination. The City department(s) shall submit a written recommendation to the Purchasing Director for review. The primary factors that should be addressed in the memo include:

1. Summary of project:
 - a. Description of project, goals and requirements.
 - b. Estimated design/engineering costs.
 - c. Estimated construction costs.
 - d. Estimated project schedule.
 - e. City staff on the design-build team to formulate, evaluate, and administer Request for Proposals.
 - f. Funding source and amount.
2. The funding for the design and construction must be fully in place or reasonably expected to be in place for the immediate completion of the design-build project. If not in place or reasonable expected to be in place to complete the design-build project without an interim delay, the design should be procured

separately under Section 23 and bid when funds are bid when funds are in place under Section 22.

3. Summary of why would it be in the best interest of the City to use design-build and the reasons for the potential benefits, such as:

- a. Significant time savings.
- b. Higher quality realized through designs tailored to contractor capability, design and builder work together to enhance each capabilities and methods, and/or combined expertise of contractor with designer to maximize potential benefits.
- c. Less impact on the public with the use of expedited construction processes.
- d. Unusual or unique requirements that could be effectively addressed by design-build.
- e. Specialty skills needed for design or construction.
- f. Reduction of total costs.
- g. Best value solution with value engineering.

4. Summary of potential risks or problems due to using design-build for specific project and mitigation solutions.

5. Capability of City staff (with consultant, as applicable) to effectively administer and manage the design-build project. Statement as to who will ultimately be responsible.

6. If approved by the Purchasing Director, the recommendation shall be reviewed by the City Manager. If approved by the City Manager, the proposed use of design-build shall be submitted to the appropriate City committee(s) and the City Council for concept approval to proceed with the procurement process under design-build.

23.B.2 BASIC PROCESS

The following is recommended as a basic process in initiating and planning a design build project. Often it can be expected that there is more upfront time and effort required to clearly define the project expectations than in a design-bid-build process, although time savings may be seen in the overall project.

1. Identify the goal
2. Assign the City project manager
3. Assemble project team, including consultant if advisable
4. Develop project requirements:

- a. Project scope
 - b. Project goals
 - c. Quality expectations
 - d. Final project expectations
 - e. Technical requirements
 - f. Contract development
 - g. Decision making process
- 5. Plan the project schedule
 - 6. Determine clear and complete definition of project and technical areas
 - 7. Provide equal platform of information for proponents to be able to prepare competitive proposals

23.B.3 DETERMINATIONS PRIOR TO REQUESTS FOR PROPOSALS

The City project team shall clearly determine what will be done by City staff and what tasks are included in the Requests for Proposals, including but not limited to the following:

- 1. Environmental studies
- 2. Public participations through public hearings and other input
- 3. Interagency agreements
- 4. Utility agreements/relocations
- 5. Right-of-way acquisition
- 6. Handling and resolution of hazardous materials
- 7. Cultural and archeological resource site investigation
- 8. Endangered species investigations
- 9. Permit requirements
- 10. Determine risks and clarify mitigation and responsibility
- 11. Surveys
- 12. Mapping
- 13. Hydraulic analysis
- 14. Geotechnical investigations

Other areas and expectations that should be addressed in the Request for Proposals may include the following:

- 1. Legal description of site
- 2. Maximum Available Construction Costs (MACC)
- 3. Aesthetic considerations and compatibility with existing facilities

4. Site development requirements
5. Special codes, regulations, ordinances or statutes
6. Utilities, parking and landscaping requirements
7. Future expansion requirements
8. Future expansion requirements
9. Special materials
10. Space requirements
11. Special equipment and systems requirements
12. Construction administration
13. Labor disputes
14. Weather conditions
15. Inflation
16. Schedule requirements
17. Incremental acceptance of work
18. Performance guarantees/warranties
19. Design reviews/approvals
20. Liability for design
21. Site conditions
22. Contract changes
23. Liquidated damages
24. Ownership during phases
25. Payment methodology
26. Incentives and disincentives
27. Bonding requirements
28. Errors and omissions insurance
29. Guaranteed completion date
30. Warranties
31. Determination of criteria for completion of contract

23.B.4 PROJECTS OVER \$500,000 – REQUEST FOR PROPOSALS

The City project team shall prepare a Request for Proposals setting forth the scope of the project that should include, but is not limited to:

- a. The size, type and desired design requirements of the building and site.
- b. Performance specifications covering the quality of materials, equipment, and workmanship, durability, life cycle costs, preliminary plans or building layouts, or any other information deemed necessary to adequately and clearly describe the City's needs.
- c. The performance specifications and plans shall be reviewed and approved by a registered engineer or architect professional licensed by the State of New Mexico, which may be a City employee or outside provider. It is intended for this review to

ensure the validity of technical areas and that the information in the Request for Proposals will provide for a fair and complete Request for Proposals process. If an outside provider contracts for these review services, the design/engineering professional or the related firm cannot later participate in submitting a proposal in any capacity to the Request for Proposals.

23.B.4.1 Applicable Section for Request for Proposals. Section 23 Competitive Sealed Proposals for Procurement of Professional Services over \$25,000 shall apply to design-build, unless clearly not applicable to the design –build process or unless procedures specifically detailed in Section 23.A Design-Build establishes different or more detailed procedures for the design-build process. For design-build procurements, Section 23.A supercedes the general requirements in Section 23.

23.B.4.2 Step One of Request for Proposals. The Request for Proposals issued shall include:

- a. the project scope and requirements
- b. submittal requirements from proponents
- c. composition of selection committee, with statement that the City retains the option to change committee members, if necessary
- d. description of step two and/or interviews in process
- e. evaluation criteria for each step of the process (step on, step two, interviews, and best and final offers, as applicable)
- f. mandatory pre-proposal meeting requirement
- g. number of firms that will be short listed (a minimum of 3)
- h. estimated procurement and approval schedule
- i. any and all further steps in the selection process
- j. an independent outside consultant or other qualified outside representative(s) may serve on the selection committee.
- k. step one may include programming and schematic design including recommended or required building systems, elevations, areas, floor plans and cross sections in limited detail for further development by proponents.

23.B.4.2.1 Submittal Requirements. The submittal requirements shall include:

- a. request for information on the qualifications of proponent as to capability
- b. capacity, availability, and experience
- c. description of similar contracts with municipalities
- d. proposed work plan
- e. proposed project schedule with key tasks

- f. key staff and their professional licenses who will be assigned to this project
- g. proposed contractor and similar information and qualifications
- h. certification to meet all insurance and bonding requirements\certification of no debarment, disqualification, default, or early termination from contract in the last 5 year
- i. certification of no commercial bankruptcy in the last 5 years of any member of entity
- j. information on all settled adverse claims, disputes or lawsuits with an owner of a project
- k. description of OSHA violations, workers' compensation claims, or safety claims
- l. description of any state licensing violations
- m. additional information requirements may be included at the discretion of the City

23.B.4.2.2Mandatory Pre-Proposals Meeting. A mandatory pre-proposal meeting is required to clearly explain the project and procurement process. An addendum shall be issued to answer and clarify questions and other concerns brought up. Failure of a proponent to attend the meeting will cause a future proposal submittal to be considered non-responsive. It is a proponent's right to determine who attends and represents the proponent or related firm. One person cannot represent more than one proponent.

23.B.4.2.3Receipt of Step One Proposals. The proposals are received as a formal sealed proposals at the Purchasing Office.

23.B.4.2.4Evaluation Under Step One of Request for Proposals. All responsive submittals are evaluated based on the evaluation criteria. This step evaluates experience, technical competence, capability to perform, past performance and preliminary project plans. The top rated firms shall be short listed based on the totals of the ratings of the committee.

23.B.4.3 Step Two of Request for Proposals.

- a. The short-listed firms are invited to submit detailed specific technical concepts or solutions, costs and scheduling as a formal sealed proposal to the Purchasing Office. If at least 3 firms do not submit responsive proposals, the short list may be composed of the number of responsive proposals received.
- b. Cost shall be at least 60% of the evaluation criteria. Cost may include life cycle cost, if so stated and explained in the Requests for Proposals for over a period of time not to exceed 10 years. Other criteria may include technical expertise,

skilled labor force availability, safety record, time schedule. Additional information requirements may be included at the discretion of the City.

- c. For a complex project or a project in which more detailed proposals are requested, a stipend may be paid to cover costs of the preparation of this phase. The amount shall be determined in advance, although a stipend is not required and is at the sole option of the City.
- d. Interviews may be conducted, but are not required and are at the sole option of the City.
- e. Based on evaluation of step two proposals, new information may be issued by the City and Best and Final Offers may be submitted. The Best and Final Offers shall be evaluated based on the evaluation criteria for step two, unless specified in writing to the top listed proponents otherwise.
- f. All information is deemed to be confidential to the evaluation committee and City administration until a recommendation is made to the first review committee prior to City Council consideration.

23.B.4.3.1 Evaluation Under Step Two of Request for Proposals. The submittals are evaluated unless determined to be non-responsive. This step evaluates qualifications, quality of proposed design and technical submittals, quality of construction approach, demonstrated response to program requirements, management plan for constructing the project, cost, and schedule. Final contract negotiations shall proceed with the top rated firm. There is a single contract for design services and construction services. If negotiations are successful, the top rated firm based on the totals of the ratings of the committee shall be recommended to the applicable committees and City Council.

23.B.5 PROJECTS UNDER \$500,000 OR PRE-ENGINEERED PROJECTS

For projects under \$500,000 or projects of any cost that are limited to site improvements or a pre-engineered building or system, the procurement process may use a one step bid process under a competitive sealed bid combining design, engineering and construction (Section 22).

23.B.6 CONSTRUCTION INSPECTION

A separate contract with a fully independent licensed architect or engineer to provide construction inspection services is advisable, but not required.

23.B.7**OTHER SERVICES.**

Finance services, maintenance services, operations services, and other relate services may be included, but must be clearly stated in the Request for Proposals. Such services could be included as an optional component, such that a basic design-build contract could be awarded or a contract including other services. The Request for Proposal must be very clear as to the evaluation process and criteria and how optional services would be evaluated and considered as part of the contract awarded.